

BUDGET, FINANCE & INVESTMENT COMMITTEE

February 10, 2011

5:30 P.M.

Courthouse

MINUTES:

Members Present:

Comm. Charlie Baum
Comm. Joe Frank Jernigan
Comm. Will Jordan
Comm. Robert Peay
Comm. Steve Sandlin
Comm. Doug Shafer
Comm. Joyce Ealy, Chrm.

Others Present:

Ernest Burgess
Teb Batey
Comm. Jeff Jordan
Comm. Tiffany Jones
Comm. Chantho Sourinho
Lisa Nolen
Ted Lindsey

Others Present:

Melissa Stinson
Joe Russell
Brian Robertson
Mac Nolen
Harry Gill
Jeff Sandvig
Wayne Blair

Others Present:

Laura Bohling
Mayor Sam Tune
Rhonda Holton
Gary Clardy
Roger Allen
Elaine Short
Interested Citizens

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with all members being present.

APPROVE MINUTES:

The minutes of the January 6, 2011 Budget Committee meeting were presented for approval.

Comm. Jernigan moved, seconded by Comm. Shafer to approve the minutes as presented.

The motion passed unanimously by acclamation.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the Committee advising that the LGIP interest rate for the month was .21%.

Mr. Batey advised that one investment bid occurred during the month. Three institutions bid with .40% being the best rate offered.

Comm. Jordan moved, seconded by Comm. Jernigan to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

Mr. Batey reminded everyone that February 28 was the last day to pay property taxes without a penalty. He also reminded everyone about the tax freeze for seniors and the tax relief program for seniors, disabled homeowners, and disabled veterans. Individuals must reapply for those programs every year, and applications are being received through April 5.

FUND CONDITION REPORT:

Lisa Nolen, Finance Director, presented the Fund Condition Report for the month ending January 31, 2011 advising that the Development Tax collections for the month were \$84,750 with the year-to-date collections being \$516,000. This compared to the same period last year when the January 2010 Development Tax collections were \$454,500, and the year-to-date collections were \$984,750.

Mrs. Nolen advised that projecting the Development Tax collections forward would equate to a total of \$884,000 with the total budgeted for the year being \$1.1 million.

The Finance Director reviewed the fund cash balances totaling \$166,631,498 with \$162,956,044 being operating funds and \$3,675,454 being borrowed funds.

This compared to the same period last year when the total cash balances were \$179,652,451 with operating funds being \$150,444,474 and borrowed funds being \$29,207,977.

The Finance Director advised that later in the meeting she would be requesting some transfers within the General Capital Projects Fund relating to the Project Manager at \$75,000; the Ambulance Station Project at \$10,882; the Kittrell Firefighting Training Facility at (\$551.01); and the County Clerk Smyrna Facility at \$4,005.16.

The Finance Director reviewed the revenue collections advising that the Local Tax collections for both the General Fund and the Ambulance Fund were 63% collected. She explained that 100% of the Payment-in-Lieu of Tax projections had been received; 100% of the Trustee Prior Year Tax collections had been received; 94% of the Clerk & Master Tax Collections had been received; and 96% of the Pick-Up Taxes had been received. She stated that she hoped that the revenue collections in these line items would exceed the projections and would offset some other revenue line items that would not meet projections. She advised that the Fines, Forfeitures and Penalties Revenue was behind, as well as the Prisoner Board from the State of Tennessee.

The Finance Director advised that the Other Local Revenue in the Solid Waste/Sanitation Fund was ahead of projections primarily due to the sale of recycled materials.

The Finance Director advised that the sales tax collections for the schools were at the same level as 2008-09.

The revenue collections for the Debt Service Fund were out of line with previous years because of the refunding.

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Fund Condition Report as presented. The motion passed unanimously by acclamation.

ANNUAL REPORT OF FIXED ASSETS:

Mr. Ted Lindsey, Fixed Assets Coordinator, presented the Annual Report of Fixed Assets for the Fiscal Year 2009-2010. Mr. Lindsey advised that the Inventory Control staff strived to maintain accurate and dependable capital asset records to enhance the accountability of how tax dollars had been spent. Mr. Lindsey advised that the office conducted periodic inventories of each department and school in the county system, maintained the surplus process, and prepared the capital asset financial information in the county's Comprehensive Annual Financial Report. The assets tagged and inventoried meet pre-approved thresholds. Capital assets costs more than \$5,000. Controllable assets are assets that the commission has established thresholds for and have instructed the Inventory Control Department to tag them such as electronic equipment.

Mr. Lindsey reviewed the financial schedules for the General Fund and the School Department, the inventory results, and a list of missing assets.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the Annual Report of Fixed Assets as presented. The motion passed unanimously by acclamation.

INSURANCE REPORT:

Mrs. Melissa Stinson, Insurance Director, presented the monthly Insurance Financial Report advising that the cost per employee per month for the medical, dental, vision and administration was \$670.83 compared to \$696.44 for the prior year. Including the CareHere costs, the total costs per employee per month was \$702.39 compared to \$738.02 for the prior year. The year-to-date average costs per employee were \$687.88 compared to \$730.22 for the prior year. The trend is 5.8% below the prior year.

Mrs. Stinson reported that the OPEB obligation was \$37,722,548.

Regarding the Work Injury Fund performance, the year-to-date claims cost was \$557,489 compared to \$645,522 for the prior year, which represented 86% of last year's costs. She advised that there were 22 open workers' compensation claims, with one claim being settled in January.

Following review, Comm. Jernigan moved, seconded by Comm. Peay to approve the monthly Insurance Report as presented. The motion passed unanimously by acclamation.

GENERAL FUND BUDGET AMENDMENTS

COUNTY CLERK:

The Finance Director requested approval of the following budget transfer for the County Clerk to transfer remaining monies from the Uniform Account and the Communications Equipment Account, which were utilized by the Wheel Tax Officer, to cover a small shortage in the Data Processing Equipment Account:

From:	101-52500-451 – Uniforms -	\$247
	101-52500-708 – Communications Equipment -	141
To:	101-52500-709 – Data Processing Equipment -	\$388

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget transfer for the County Clerk as requested transferring \$247 from Account 101-52500-451, Uniforms, and \$141 from Account 101-52500-708, Communications Equipment, with \$388 to Account 101-52500-709, Data Processing Equipment. The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT:

Chairman Ealy advised that the budget amendments for the Sheriff's Department had been changed from the recommendation by the Public Safety Committee, but that the Sheriff's Department had worked with the Finance Director to determine the requests.

Mr. Joe Russell, Chief Deputy Sheriff's Department, requested approval of the following budget amendments to provide additional funding for In-Service Training to send 10 officers to the training academy, Office Supplies, Uniforms, Other Supplies and Materials, Motor Vehicles, Maintenance and Repair of Building, Transportation Other Than Students for extradition, Prisoners' Clothing, and Other Supplies and Materials at the Jail:

From Sheriff's Department:

101-54110-187 – Overtime Pay -	\$142,570
101-54110-201 – Social Security -	8,840
101-54110-204 – State Retirement -	18,020
101-54110-212 – Employer Medicare -	2,070

To Sheriff's Department:

101-54110-196 – In-Service Training -	\$ 25,000
101-54110-435 – Office Supplies -	10,000
101-54110-451 – Uniforms -	25,000
101-54110-499 – Other Supplies & Materials -	5,000
101-54110-718 – Motor Vehicles -	9,000

To Jail:

101-54210-335 – Maint./Repair Building -	\$ 75,000
101-54210-354 – Transportation Other Than Students -	10,000
101-54210-441 – Prisoner's Clothing -	10,000
101-54210-499 – Other Supplies & Materials -	2,500

Mr. Russell requested approval of the following budget transfer to provide funding for the remainder of the year for the jail salaries and wages for jail personnel. The shortage is due to paying out the annual leave for employees who have left the department. Funding was available in the Sheriff's Department salaries and wages. Secondly, approval of an amendment was requested to provide additional funding for the Overtime Pay for the Jail utilizing funds already budgeted within the existing jail budget:

From Sheriff's Department:

101-54110-189 – Other Salaries/Wages -	\$ 37,000
101-54110-201 – Social Security -	2,294
101-54110-204 – State Retirement -	4,677
101-54110-209 – Disability Insurance -	81
101-54110-212 – Employer Medicare -	537

To Jail:

101-54210-189 – Other Salaries/Wages -	\$ 37,000
101-54210-201 – Social Security -	2,294
101-54210-204 – State Retirement -	4,677
101-54210-209 – Disability Insurance -	81
101-54210-212 – Employer Medicare -	537

From: 101-54210-167 – Maintenance Personnel -	\$ 4,000
101-54210-186 – Longevity Pay -	1,175

To: 101-54210-187 – Overtime Pay -	\$ 5,175
------------------------------------	----------

Following discussion, Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget amendments for the Sheriff's Department as requested transferring \$142,570 from Account 101-54110-187, Sheriff's Department Overtime Pay; \$8,840 from Account 101-54110-201, Sheriff's Department Social Security; \$18,020 from Account 101-54110-204, Sheriff's Department State Retirement; and \$2,070 from Account 101-54110-212, Sheriff's Department Employer Medicare; with \$25,000 to Account 101-54110-196, Sheriff's Department In-Service Training; \$10,000 to Account 101-54110-435, Sheriff's Department Office Supplies; \$25,000 to Account 101-54110-451, Sheriff's Department Uniforms; \$5,000 to Account 101-54110-499, Sheriff's Department Other Supplies and Materials; \$9,000 to Account 101-54110-718, Sheriff's Department Motor Vehicles; \$75,000 to Account 101-54210-335, Jail Maintenance & Repair Building; \$10,000 to Account 101-54210-354, Transportation Other Than Students; \$10,000 to Account 101-54210-441, Jail Prisoner's Clothing; and \$2,500 to Account 101-54210-499, Jail Other Supplies and Materials. Additionally, to transfer \$37,000 from Account 101-54110-189, Sheriff's Department Other Salaries; \$2,294 from Account 101-54110-201, Sheriff's Department Social Security; \$4,677 from Account 101-54110-204, Sheriff's Department State Retirement; \$81 from Account 101-54110-209, Sheriff's Department, Disability Insurance; and \$537 from Account 101-54110-212, Sheriff's Department Employer Medicare; with \$37,000 to Account 101-54210-189, Jail Other Salaries & Wages; \$2,294 to Account 101-54210-201, Jail Social Security; \$4,677 to Account 101-54210-204, Jail State Retirement; \$81 to Account 101-54210-209 Jail Disability Insurance; and \$537 to Account 101-54210-212, Jail Employer Medicare; \$4,000 from Account 101-54210-167, Maintenance Personnel; \$1,175 from Account 101-54210-186, Jail Longevity Pay; with a total of \$5,175 to Account 101-54210-187, Jail Overtime Pay.

The motion passed unanimously by roll call vote.

PET ADOPTION & WELFARE SERVICES:

The Finance Director requested approval of the following budget amendment to provide sufficient funding to pay the accumulated leave for the director, who has left employment, and to provide funding for the new director to begin on February 22, 2011. Money is available in the Other Salaries and Wages Account, because the veterinarian has not been hired:

From: 101-55120-189 – Other Salaries & Wages -	\$7,385
To: 101-55120-101 – County Official/Administrative -	\$7,385

Comm. Shafer moved, seconded by Comm. Jernigan to approve the budget amendment as requested transferring \$7,385 from Account 101-55120-189, Other Salaries & Wages, to Account 101-55120-101, County Official Administrative. The motion passed unanimously by roll call vote.

INFORMATION TECHNOLOGY:

Mr. Brian Robertson, OIT Director, requested approval of the following budget amendment to allow for 300 new users for the electronic time clock, to purchase time clocks with a card system, along with additional programming costs associated with the uniqueness of the Sheriff's Department and Jail:

From: 101-39000 – Unassigned Fund Balance -	\$30,000
To: 101-52600-709 – Data Processing Equipment -	\$30,000

Mr. Robertson explained that the pilot project for the electronic timekeeping was started about two years ago with the Finance Department and the Technology Department. The two departments worked together to ensure that the electronic timekeeping system met all of the audit parameters, as well as achieved easy importation of the time punches into the county's payroll system; therefore, eliminating some duplication of effort and some paperwork. Mr. Robertson advised that it took approximately one year to work out the details to the point where he and the Finance Director were comfortable implementing the system in other departments. Mr. Robertson advised that the electronic timekeeping system has now been implemented in the Mayor's Office, Human Resources, Insurance, Drug Court, Planning & Engineering, Building Codes, and the Election Commission.

Mr. Robertson advised that the Finance Department handled the payroll portion of the system, and the Information Technology Department installed the equipment. He explained that since not everyone at the Sheriff's Department had access to a computer, there would be some time clocks installed.

Mr. Robertson advised that through the electronic timekeeping system, employees could request leave, and the leave could be granted.

The Finance Director advised that the Finance Office processed the payroll, and it was always a problem to get the timesheets approved and turned in, get them checked, and get the information entered into the payroll system. With the electronic system, the Finance Department has access to all timesheets at all times. Even if an employee forgets to turn the timesheet in, the Finance Department can see that the employee clocked in, and the employee can still get paid.

The Finance Director advised that she highly recommended the electronic timekeeping system. She stated that she would like to see the entire county using the system. She explained that the system has been implemented with small steps at a time, and what has been discovered, is that not all departments are the same. She said that the system has been implemented department by department, and it has been customized by department.

Comm. Sandlin asked about the 300 new users.

Mr. Robertson explained that currently licenses had been purchased for 200 users to cover the departments where the electronic timekeeping was already in place. He advised that the request would provide for an additional 300 users.

Comm. Sandlin asked how much the electronic system would cost on an annual basis.

Mr. Robertson advised that the recurring cost would be approximately 8% to 10% per year of the total cost.

The Finance Director advised that the timekeeping system would also help in the regard of the Fair Labor Standards as actual time worked would be recorded instead of estimated time. She also stated that it would require department heads to manage their employees. She advised that up to this point, the system had been implemented very cheaply in that no hardware had been purchased, and the system had been installed on existing computers. Mrs. Nolen also advised that the system had a very good audit system.

Following discussion, Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment for the Information Technology Department as requested amending \$30,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-52600-709, Data Processing Equipment. The motion passed unanimously by roll call vote.

LEGAL SERVICES:

Chairman Ealy presented the following budget amendment for approval to provide sufficient funds to pay outside legal services and legal services for the County Attorney that are above the contracted amount:

From:	101-39000 – Unassigned Fund Balance -	\$100,000
To:	101-58900-331 – Miscellaneous/Legal Services -	\$ 50,000
	101-51400-331 – County Attorney/Legal Services -	50,000

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment with \$100,000 from Account 101-39000, Unassigned Fund Balance, and \$50,000 to Account 101-58900-331, Miscellaneous Legal Services and \$50,000 to Account 101-51400-331, County Attorney Legal Services. The motion passed unanimously by roll call vote.

EMPLOYEE INSURANCE:

The Finance Director requested approval of the following budget amendment to provide additional funding for the Employee and Dependent Insurance Accounts for various departments in the General Fund based upon the actual being paid after open enrollment changes have been made:

From:	101-58600-205 – Employee Benefits/Employee Insurance -	\$28,145
To:	101-51800-205 – County Buildings/Employee Insurance -	\$ 5,660
	101-52300-205 – Property Assessor/Employee Insurance -	7,580
	101-52600-205 – Data Processing/Employee Insurance -	3,750
	101-53330-205 – Drug Court/Employee Insurance -	700
	101-53600-205 – District Attorney/Employee Insurance -	6,070
	101-55110-205 – Health Department/Employee Insurance -	145
	101-54110-205 – Sheriff's Department/Employee Insurance -	4,240

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Employee and Dependent Insurance for various department of the General Fund with \$28,145 from Account 101-58600-205 – Employee Benefits/Employee Insurance and \$5,660 to Account 101-51800-205, County Buildings Employee Insurance; \$7,580 to Account 101-52300-205, Property Assessor Employee Insurance; \$3,750 to Account 101-52600-205, Data Processing Employee Insurance; \$700 to Account 101-53330-205, Drug Court Employee Insurance; \$6,070 to Account 101-53600-205, District Attorney Employee Insurance; \$145 to Account 101-55110-205, Health Department Employee Insurance; and \$4,240 to Account 101-54110-205, Sheriff's Department Employee Insurance. The motion passed unanimously by roll call vote.

DRUG CONTROL FUND:

The Finance Director requested approval of the following budget amendment to provide adequate funding for the Employee Insurance Account for the Drug Control Fund based on the actual being paid after open enrollment changes have been made:

From:	122-34725 – Assigned for Public Safety -	\$12,210
To:	122-54150-205 – Drug Enforcement/Employee Insurance -	\$12,210

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendment for the Drug Control Fund to provide adequate funding for the Employee Insurance with \$12,210 from Account

122-34725, Assigned for Public Safety, and \$12,210 to Account 122-54140-205, Drug Enforcement Employee Insurance. The motion passed unanimously by roll call vote.

AMBULANCE SERVICE FUND BUDGET AMENDMENTS:

The Finance Director requested approval of the following budget amendment for the Ambulance Service recognizing a \$20,000 contribution from the Emergency Communications District to be used for training dispatchers. These funds are designated to pay for classes and to pay for overtime or PRN coverage while personnel attend classes:

Increase Revenue:	118-48130 – Contributions -	\$11,032
Increase Expend.:	118-55130-196 – In-Service Training -	\$11,032
Increase Revenue:	118-48130 – Contributions -	\$ 8,968
Increase Expend.:	118-55130-169 – Part Time Personnel -	\$ 8,330
	118-55130-201 – Social Security -	517
	118-55130-212 – Employer Medicare -	121

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Ambulance Service as requested to utilize a \$20,000 contribution from the Emergency Communications District increasing Account 118-48130, Contributions, by \$20,000 and increasing Account 118-55130-196, In-Service Training, by \$11,032, increasing Account 118-55130-169, Part Time Personnel, by \$8,330; increasing Account 118-55130-201, Social Security, by \$517; and increasing Account 118-55130-212, Employer Medicare, by \$121. The motion passed unanimously by roll call vote.

The Finance Director explained that the Ambulance Service had changed their billing to a third-party billing contractor who will bill for all of their services. Approval of the following budget amendment was requested to provide funding to pay the third-party billing contractor, which was based on five percent of the estimated revenue from January 1, 2011 through June 30, 2011:

Increase Revenue:	118-43120 – Patient Charges -	\$100,000
Increase Expend.:	118-55130-399 – Other Contracted Services -	\$100,000

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment as requested increasing Account 118-43120, Patient Charges, by \$100,000 and increasing expenditure Account 118-55130-399, Other Contracted Services, by \$100,000. The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENT:

Mr. Mac Nolen, Solid Waste Director, requested approval of the following budget amendment to utilize additional revenue received from the sale of recycled materials to purchase a new roll-off truck:

Increase Revenue:	116-44145 – Sale of Recycled Materials -	\$121,000
Increase Expend.:	116-55732-718 – Convenience Centers/Motor Vehicles -	\$121,000

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendment as requested increasing Account 116-44145, Sale of Recycled Materials, by \$121,000 and increasing Account 116-55732-718, Motor Vehicles, by \$121,000. The motion passed unanimously by roll call vote.

HIGHWAY FUND BUDGET AMENDMENT:

Finance Director Lisa Nolen requested approval of the following budget amendment for the Highway Department to comply with the maintenance of effort required by the State of Tennessee. In order to meet the requirement, it was requested to adjust the projection for the Mineral Severance Tax:

Increase Revenue:	131-40280 – Mineral Severance Tax -	\$330,000
Increase Assigned for Highway/Public Works:	131-34750 -	\$330,000

Comm. Jordan moved, seconded by Comm. Shafer to approve the budget amendment for the Highway Fund as requested increasing Account 131-40280, Mineral Severance Tax, by \$330,000 and increasing Account 131-34750, Assigned for Highway/Public Works, by \$330,000 in order to comply with the maintenance of effort as required by the State of Tennessee. The motion passed unanimously by roll call vote.

APPROVE INCREASE TO PETTY CASH FOR RUTHERFORD COUNTY TEACHER CENTERS:

Mr. Jeff Sandvig, Assistant Superintendent, requested approval to increase the Petty Cash (Cash on Hand) at the Teacher Center at the Central Office and at the Teacher Center in Smyrna from \$50 to \$100 per secretary for a total Petty Cash of \$300. The Rutherford County Teacher Center and North Rutherford County Teacher Center secretary positions are designated as the Petty Cash Custodians. The Petty Cash Custodians will sign a receipt for Petty Cash funds received, and will agree to abide by the Rutherford County, Tennessee guidelines for Petty Cash and Change Accounts.

Following review, Comm. Jordan moved, seconded by Comm. Peay to approve the request to increase the Petty Cash (Cash on Hand) amounts at the Rutherford County Teacher Centers from \$50 to \$100 per secretary for a total Petty Cash (Cash on Hand) of \$300. The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Sandvig requested approval of revenue amendments budgeting \$36,987 in Account 141-43990, Other Charges for Services, and the related clerical and custodial pay and benefits for Campus School. He explained that MTSU was paying most of the cost of a clerical position and another custodial position at Campus School.

Mr. Sandvig also requested approval of an amendment increasing Account 141-46511, Basic Education Program, by \$1,218,290 and decreasing Account 141-46512, BEP-ARRA, by the same amount. The state has reallocated its ARRA funds that were used to fund part of the BEP.

Mr. Sandvig next requested approval to increase Account 141-47590, Other Federal Through State, by \$199,912 for materials and supplies for children whose families are eligible for free or reduced meals.

Mr. Sandvig next advised that each year the system received an allocation that helped to pay part of the cost of the system's high cost special education students. This year's allocation is \$60,081 more than is already budgeted. Mr. Sandvig requested approval of an amendment to increase revenue in Account 141-47143, Education of Handicapped – IDEA, by \$23,866 and increase Account 141-47145, Special Education – Preschool Grants, by \$36,215, and the special education related expenditures.

Mr. Sandvig next advised that the two percent bonuses for administrative and system-wide staff needed to be funded from the General Purpose School Fund and not the Education Jobs Grant the system had received. \$85,673 was needed for the certified staff and \$116,687 for classified staff in these positions. The related benefits totaled \$18,531.

Mr. Sandvig requested approval of a General Purpose School Fund budget amendment to amend \$220,891 in already budgeted certified and classified salaries and the related benefits to other certified and classified lines in order to fund the two percent bonus approved by the Board and the REA for the administrative and system-wide staff that need to be funded through the General Purpose School budget instead of the Education Jobs Fund Grant.

Following review Comm. Sandlin moved, seconded by Comm. Peay to amend \$1,218,290 to Account 46511, Basic Education Program, from Account 46512, BEP-ARRA, to amend \$36,987 in

Account 43990, Other Charges for Services, for the related clerical and custodial pay and benefits for Campus School, to amend \$199,912 to Account 47590, Other Federal through State, for instructional materials and supplies, to amend \$23,866 to Account 47143, Education of Handicapped – IDEA for special education related expenditures, to amend \$36,215 to Account 47145, Special Education – Preschool Grants, for special education related expenditures, and to amend \$220,891 in already budgeted certified and classified salaries and the related benefits to other certified and classified lines in order to fund the two percent bonus approved by the Board and the REA for the administrative and system-wide staff that need to be funded through the General Purpose School budget instead of the Education Jobs Fund Grant. The motion passed unanimously by roll call vote.

EDUCATION CAPITAL PROJECTS FUND BUDGET AMENDMENT:

Mr. Sandvig advised that each year in Fund 177, Education Capital Projects, an amendment must be done to fund the previous year's projects that were not complete on June 30. The purchase orders in the fund are not carried forward to the next fiscal year. The following 2009-2010 projects are included in the carryover amendment:

McFadden Renovation	
Architects Fees -	\$ 1,020
Maintenance/Repair -	3,044
Roof Repair/Replacement	
Riverdale Annex -	\$ 3,835
Riverdale Band Section -	26,682
Christiana Hallway -	280
HVAC Replacement	
La Vergne High School -	\$337,289
Riverdale High School -	127,500
Oakland High School -	127,500
Holloway High School	
Window Replacement -	\$170,000
Total funds to be amended from Fund Balance -	\$797,150

Mr. Sandvig advised that the rest of the amendment reallocated \$68,000 of already budgeted contract services to the line items that best fit the description of the service. No new funds were being used:

From Committed for Capital Projects:	177-34685 -	\$797,150
From:	177-91300-399 – Other Contracted Services -	68,000
To:	177-91300-304 – Architects -	\$ 11,020
	177-91300-335 – Maint./Repair Buildings -	796,130
	171-91300-321 – Engineering Services -	58,000

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the Education Capital Projects Fund budget amendments as requested to amend \$797,150 from fund balance for prior year projects that were not completed, and to amend \$68,000 from Contracted Services with \$11,020 to Account 171-91300-304, Architects, \$796,130 to Account 177-91300-335, Maintenance & Repair Buildings, and \$58,000 to Account 171-91300-321, Engineering Services. The motion passed unanimously by roll call vote.

DISCUSSION REGARDING RECOMMENDATION FROM HEALTH & EDUCATION COMMITTEE ENDORSING PHASE ONE OF THE EAGLEVILLE HIGH SCHOOL ADDITION AND FUNDING FOR THE CONSTRUCTION OF STEWARTS CREEK HIGH SCHOOL:

Mr. Harry Gill, Director of Schools addressed the committee. He reviewed the possible projects through August 2015. Most of the anticipated projects for next Fiscal Year will be funded through Fund 177, Education Capital Projects, for the Campus School renovation, McFadden renovation, and major capital repairs. In 2012, David Youree renovation was proposed along with major capital repairs.

Mr. Gill advised that in 2013 it was the goal to open Stewarts Creek High School at a cost of \$49,976,500, Eagleville High School addition (Phase One) at a cost of \$5.3 million, Smyrna Primary renovation at a cost of \$750,000, and major capital repairs at a cost of \$1,550,000.

In 2014, it was being projected that an elementary school would be needed in the La Vergne or Smyrna area at an approximate cost of \$24.7 million; the Eagleville High additional (Phase 2) at a cost of \$2,740,000; and major capital repairs at a cost of \$2.3 million.

In 2015, a possible elementary school would be needed for West of Murfreesboro at an approximate cost of \$25 million; a Smyrna area middle school at an approximate cost of \$30,807,000; Siegel High addition at a cost of \$4,083,000; and major capital repairs totaling \$2.3 million.

Comm. Shafer asked how many new students were in the school system this year, and he also asked if it was known how many of those were in private schools in Rutherford, Davidson, or Williamson Counties.

Mr. Gill stated that they would know how many students came from private schools, but he did not have that information for tonight's meeting. He stated that he thought the system picked up about 800 new students this year.

Mr. Gill stated that Eagleville High School desperately needed an addition, and he thought everyone recognized that.

He stated that it was critical that Stewarts Creek High School was constructed. He stated that the school would offer relief to four separate high schools: Smyrna High, La Vergne High, Blackman High, and Riverdale High Schools. He stated that even though Smyrna High and La Vergne High could accommodate close to 2,000 students, which they have now, and they also have portable classrooms, it was known for sure that by the year 2013, there would be 5,100 students on that end of the county. He stated that would mean that 1,100, 1,200 or 1,300 students would have to be in portable classrooms.

With 3% growth, Blackman High School would have 2,531 students by 2013.

Riverdale High School would also continue to grow.

He stated that there was no question, based on actual numbers, that by 2013 the school system would need approximately 100 portable classrooms among those four high schools.

He stated that every portable classroom installed at La Vergne High School would take up parking space. He stated that there was no way that they would adequately be able to accommodate car drivers.

He asked the committee for their support of the construction of Stewarts Creek High School.

With respect to Eagleville, Mr. Gill stated that Eagleville needed an addition. He stated that last year the Health & Education Committee recommended that the funding for the Eagleville High School be considered when the county went to the bond market for Stewarts Creek High School. Mr. Gill stated that the dilemma the board was faced with was that there was not adequate time to open Eagleville in

2012, which was in part why the Board pushed it back to 2013. He stated that he also believed the Board was concerned about financing the project knowing how important Stewarts Creek High was.

Mr. Gill stated that even though Stewarts Creek was being projected at \$50 million, the board hoped that the cost of Stewarts Creek would be less than that. He stated that it was also hoped that the school system would be able to offset operational costs through fund balance, therefore, eliminating a tax increase.

Mr. Gill also noted that Comm. W. Jordan had asked if the board was sure that Eagleville would always be a high school. He stated that he had never heard a board member say that they wanted to abandon the K-12 setup at Eagleville. He stated that an official vote had never been taken, but he stated that he thought that the board thought it was a good setup, and they preferred to leave it as is.

Mr. Gill stated that he would like to proceed with Stewarts Creek High School. He stated that he would like to take the design of Eagleville High School through the Health & Education Committee next month. He stated that the Eagleville High addition could not be done by 2012. He stated it would take approximately 120 days to design it. He stated that once the design was done, it would be bid, which would take 45 days. Construction would take approximately 9 months. He stated that funding for the design of Eagleville High could probably be requested through the Health & Education Committee next month from savings from the two middle schools. He estimated that the bids on Stewarts Creek High School would be received by July 20, and it was hoped that the cost would be less than estimated. He stated that by that time, the Eagleville design should be almost complete and ready to bid. He stated if everything lined up correctly, the Eagleville construction could possibly start in November and be finished by the second half of the school year in 2012. He stated that he believed this was a viable option with respect as to how both projects could be done.

Comm. Sandlin asked about the difference between Phase One and Phase Two of the Eagleville High construction.

Mr. Gill advised that Phase One added about 12 to 14 classrooms, auditorium renovations, and enlarge the cafeteria. Phase Two would be additional classrooms only.

Mr. Gill stated that if some point in the future, Eagleville was no longer a high school, the money would not be wasted, because the school could always use a larger cafeteria and additional classrooms. He stated the additional space could be used at any grade level. Mr. Gill stated that the Board was not ready to pursue Phase Two at this time.

Comm. Sandlin asked if it would be beneficial to incorporate the design for Phase Two at the same time as Phase One.

Mr. Gill stated that he was recommending that the Committee approve the funding for Stewarts Creek High School and allow the Board to go back through the Health & Education Committee next month for the design of Eagleville High School.

Comm. Shafer also asked if a better bid would be received on the construction for Eagleville High if both phases were incorporated together.

Mr. Clardy stated that a better bid might be received if both phases were bid together, but it would still cost more money because of the added square footage.

Comm. Shafer asked Mr. Gill how many students he thought would be at Eagleville High School when Phase One was completed, and how many students would be there when Phase Two was completed.

Mr. Gill stated that the high school currently had 372 students. He stated that they were growing a little every year, but he did not know if they would have a lot of additional students above what they currently had.

Comm. Jernigan asked how many portable classrooms were currently at Eagleville High School.

Mr. Gill advised that there were currently 14 portable classrooms.

Comm. Jernigan stated that he believed that the design should include both Phase One and Phase Two at the same time, so that the total cost would be known. He stated that his recommendation would be to look at the design on both Phase One and Phase Two.

Mr. Gill stated that made sense, but he knew how difficult it was to get things funded sometimes.

Comm. Jordan stated that at the Health & Education Committee his point was to get a commitment from the Board as to the long-term plan for Eagleville High School. He stated that he agreed with Comm. Jernigan in getting both phases designed at one time. He stated that he was sure that the bids could be requested for both phases together and separate.

Mr. Clardy stated that the bid for Phase Two could be requested as an alternate.

Comm. Jeff Jordan, Chairman Health & Education Committee addressed the committee. He advised that in February 2010, the School Board sent a request to the Health & Education Committee requesting funding for Phase One of the Eagleville High School addition including classrooms, auditorium, and renovation of the cafeteria at an approximate cost of \$5.3 million. The Health & Education endorsed the concept of Phase One unanimously. He stated that Phase Two was not presented, and the School Board has not made a request for Phase Two through the Health & Education Committee as yet.

Comm. J. Jordan stated that as Chairman of the Health & Education Committee he was obligated to report their action to the Budget Committee.

Comm. J. Jordan stated that there was no question in his mind that the Eagleville High addition was needed. He stated that during his tenure on the Health & Education Committee, no one had ever mentioned to him about closing Eagleville or changing the grade structure. He stated that he did not think this was anything that was being considered.

Comm. J. Jordan stated that he would present to the Health & Education Committee whatever decision the Budget Committee made whether it was Phase One or Phase One and Phase Two.

Comm. Tiffany Jones addressed the committee. She advised that she was a teacher at Eagleville High School, but also attended Eagleville High School as a student. She stated that she was awarded opportunities at Eagleville High School that she would not have received at one of the larger high schools. She stated that she was not very athletic, but she did get to participate on the volley ball team for four years. She stated that was an opportunity that she was allowed to have because she attended Eagleville High School. She stated that they excelled in everything that they did. She stated that not every student was made for a larger high school, and the students have opportunities that they would not be able to have at a larger high school.

Comm. Jones stated that Phase One of the project would not be giving the students at Eagleville anything that other students in the other high schools or middle schools did not already have. She stated that it would also get teachers out of portable classrooms and into the building. She stated that Eagleville was the only middle school or high school without an auditorium.

Comm. Baum asked Comm. Jones if she was asking the committee to approve funding for Phase One of Eagleville High School tonight. He stated that it seemed that Mr. Gill was suggesting that the construction could not be ready by the next school year, and that he was suggesting delaying one year. He asked if she was recommending something different than Mr. Gill.

Comm. Jones stated that she was asking for the committee's support whenever the issue did come up for a vote.

Comm. Baum asked Mr. Gill for clarification as to whether he was asking for funding for the project at this meeting.

Mr. Gill stated that previous conversations would suggest that the project could not be funded at this time without a property tax increase. He stated whether the project was approved at this meeting, next month, or two months from now, the first thing that had to happen was that the project had to be designed. He stated that they also needed to know what Stewarts Creek High School was going to cost. He stated that his recommendation would be to take the Eagleville High addition back through the Health & Education Committee, and that the Health & Education Committee appropriate money that the School Board would provide up to \$250,000 for the design. During the design process, the bid process for Stewarts Creek High School should be complete. He stated that he was not recommending that the Eagleville High construction be approved at this meeting.

Following discussion Comm. Sandlin moved, seconded by Comm. Peay to send the Eagleville High School addition back to the Health & Education Committee to make a recommendation as to the funding for the design and to determine if the design will be for Phase One or Phase One and Phase Two.

Comm. Baum asked for clarification as to this action delaying the Eagleville project for an entire academic year.

Mr. Gill stated that it should not delay the project for an entire academic year, but that the project would possibly be complete by the second semester of the 2012-13 academic year.

Comm. Jernigan stated that he believed the design should be for both Phase One and Phase Two, so that the commission would know what the total cost of the project would be.

Comm. Jordan stated that the design has always been approved before borrowing money for a project. He stated that he did not see how funding for the Eagleville project could be done at this meeting, because the design had not been done. He stated that only a rough estimate had been given of the cost. He also stated that there were several new members on the County Commission since the recommendation had been made, and that some of the new commissioners had not seen the request at all.

Comm. Peay asked with \$50 million being needed for Stewarts Creek High School and assuming \$5.3 million will be needed for the Eagleville High addition what that would do to the county's property tax rate. He asked if the Debt Service Fund would be able to absorb that without an increase to the tax rate.

The Finance Director presented information to the committee regarding the county's debt. She distributed a schedule of principal and interest requirements by year labeled before refunding and after refunding. She explained that between the two refundings, the county had saved \$9.7 million in debt service payments. She also presented debt service projections using various scenarios. One scenario reflected borrowing half the money needed for Stewarts Creek High School and half the money needed for the Joe B. Jackson Parkway in 2011-12 with the second half being borrowed in 2012-13. Based on the projected revenue, this scenario reflected using over \$3 million of the debt service fund balance over the next three years. Assuming retaining a 65% fund balance, this would still be within the county's policy.

The second scenario illustrated borrowing money for not only the high school and the road, but also included the Law Enforcement building addition and Eagleville High School. This scenario also illustrated borrowing half the money needed for the new high school and the roads in two separate years. This scenario created problems with using an estimated \$4.5 million of the fund balance over the next two years. This would create a potential problem of noncompliance with the fund balance policy in 2012-13.

A third scenario illustrated borrowing half of the money needed for Stewarts Creek High School and the roads in two separate years, borrowing money for the law enforcement expansion in 2011-12, and borrowing \$5.3 million for Eagleville in 2012-13. With this scenario, \$4.1 million of the fund balance would be used over the next two years resulting with the potential noncompliance of the fund balance policy in 2012-13 and 2013-14. Mrs. Nolen explained that either the revenues would have to

perform better than projected, or possibly the property tax rate would need to be increased by approximately four cents in 2013-14.

Comm. Sandlin stated that if the bids were less than anticipated, some of the difference in funding could be made up.

Comm. Baum stated that the fourth scenario showed the law enforcement expansion at \$8 million being borrowed in the second year. He asked what would happen if that project was swapped with the \$5.3 million for Eagleville.

Mrs. Nolen stated that if the law enforcement building was not done, and the Eagleville addition was done instead, that could possibly work.

Comm. Baum stated that the assumption was that the \$5.3 million would be borrowed in the second year. He asked what would happen if it was borrowed this year.

The Finance Director stated that it would add approximately \$400,000 more to the county's debt payments in 2011-12.

Comm. Shafer stated that the financial information was good to know, but he stated that the motion on the floor was to send the Eagleville project back to the Health & Education Committee to make a recommendation regarding designing the project at all or for Phase One only or for Phase One and Phase Two.

Comm. Shafer stated that he wanted to commend Eagleville School and the teachers in having students write letters. He stated that he had received a letter from Heather Whitaker, a fifth grader at Eagleville School that was very well written.

Following discussion, the motion to send the Eagleville High School addition project back to the Health & Education Committee to make a recommendation as to the funding for the design and to determine if the design will be for Phase One or Phase One and Phase Two passed unanimously by roll call vote.

Chairman Ealy advised that the Health & Education Committee had approved the following motion, "Commissioner W. Jordan moved, seconded by Commissioner Phillips, to proceed with Stewarts Creek High School project at a cost of \$49,976,500.

Commissioner Phillips moved to amend the original motion, seconded by Commissioner Allen, to include the Smyrna/La Vergne bleacher project in the bid process as an alternate bid. This amendment passed unanimously by roll call vote.

The original motion passed unanimously by roll call vote."

Comm. Sandlin moved, seconded by Comm. Jordan to approve the recommendation of the Health & Education Committee to proceed with the Stewarts Creek High School project at a cost of \$49,976,500 to include the Smyrna/La Vergne bleacher project in the bid process as an alternate bid.

Comm. Jordan clarified that the Smyrna/La Vergne bleacher project was to go back to the Health & Education Committee before that option was exercised.

The Finance Director also clarified the motion that the Stewarts Creek High School would be funded with a future bond issue not to exceed \$49,976,500.

Comm. Sandlin stated that was correct.

Following discussion the motion to proceed with the Stewarts Creek High School Project at a cost not to exceed \$49,976,500 to be funded with a future bond issue and to include the Smyrna/La Vergne bleacher project in the bid process as an alternate bid passed unanimously by roll call vote.

GENERAL DEBT SERVICE FUND BUDGET AMENDMENTS:

The Finance Director requested approval of the following Debt Service Fund budget amendments to recognize the revenue and related expenditures for the \$9.6 million refunding capital outlay note:

Increase Revenue:	151-49400 – Refunding Debt Issued -	\$9,600,000
From:	151-51900-606 – Other Debt Issuance Charges -	\$ 14,900
Increase General Government:		
	151-82110-602 – Principal on Notes -	\$1,440,000
	151-82310-606 – Other Debt Issuance Charges -	2,235
Increase Education		
	151-82130-602 – Principal on Notes -	\$8,160,000
	151-82330-606 – Other Debt Issuance Charges -	12,665

The Finance Director also requested approval of the following Debt Service Fund budget amendments to recognize the revenue and the related expenditures for the \$41,875,000 refunding bonds. This prior debt of \$45,475,000 has been replaced with \$41,875,000 of refunded debt:

Increase Revenue:	151-49400 – Refunding Debt Issued -	\$41,875,000
	151-49410 – Premiums on Debt Sold -	4,286,846
Increase General Government Debt Service		
	151-82310-605 – Underwriter's Discount -	\$ 28,559
	151-82310-606 – Other Debt Issuance Charges -	48,050
Increase Education Debt Service		
	151-82330-605 – Underwriter's Discount -	\$ 63,566
	151-82330-606 – Other Debt Issuance Charges -	106,950
Increase Payments to Refunded Debt Escrow Agent		
	151-99300-699 – Other Debt Service -	\$45,914,721

Comm. Jernigan moved, seconded by Comm. Peay to approve the General Debt Service Fund budget amendments to recognize the revenue and related expenditures for the \$9.6 million refunding capital outlay note and the \$41,765,000 refunding bonds increasing Account 151-49400, Refunding Debt Issued by \$9,600,000; transferring \$14,900 from Account 151-51900-606, Other Debt Issuance Charges; increasing Account 151-82110-602, General Government Principal on Notes by \$1,440,000; increasing Account 151-82310-606, General Government Other Debt Issuance Charges by \$2,235; increasing Account 151-82130-602, Education Principal on Notes by \$8,160,000; increasing Account 151-82330-606, Education Other Debt Issuance Charges by \$12,665, Increasing Account 151-49400, Refunding Debt Issued, by \$41,875,000; increasing Account 151-49410, Premiums on Debt Sold, by \$4,286,846, increasing Account 151-82310-605, General Government Underwriter's Discount by \$28,559, increasing Account 151-82310-606, General Government Other Debt Issuance Charges by \$48,050, Increasing Account 151-82330-605 Education Underwriter's Discount, by \$63,566; increasing Account 151-82330-606, Education Other Debt Issuance Charges by \$106,950; and increasing Account 151-99300-699, Payments to Refunded Debt Escrow Agent Other Debt Service by \$45,914,721.

The motion passed unanimously by roll call vote.

RESOLUTION TO IMPOSE AN ARCHIVES AND RECORD MANAGEMENT FEE OF NOT MORE THAN FIVE DOLLARS TO BE COLLECTED BY THE CLERKS OF COURT:

Mrs. Laura Bohling, Circuit Court Clerk, presented a proposed Resolution for the information and use by the committee, to impose an archives and record management fee of not more than five dollars

to be collected by the clerks of court from all individuals or entities filing pleadings or other documents to institute a legal proceeding when instituting said legal proceeding.

Mrs. Bohling advised that TCA 10-7-408 was a code that provided a way to finance records management. The code was amended in 2009-10 to allow the Clerks of Court to charge a fee to maintain the records. The five dollars fee will be charged to every initial filing in the Clerks of Court offices. It will not be charged to any orders after the initial filing. She explained that the fee will allow her office to perform scanning and microfilming projects to secure the permanent records.

The Resolution was unanimously approved at the Steering Committee.

GENERAL CAPITAL PROJECTS FUND BUDGET AMENDMENTS:

The Finance Director requested approval of the following General Capital Projects Fund budget amendments providing funding to begin a project for Jail Remediation to repair the building's brick façade. Initially the fund will be used to pay for engineering and architect services.

The second part of the amendment provides funding to continue the project for the expansion of the jail facility to provide additional office space. \$78,778 was initially transferred from the General Fund to the Capital Projects Fund in August, 2008 to pay for consulting services. After the first part was complete, a balance of \$8,651 was transferred from the Law Enforcement addition project to the Smyrna Clerk Building to provide additional funding to complete that project. The Smyrna Clerk Building project is now complete and there is \$4,005 available to be transferred back to the Law Enforcement Addition.

The Ambulance – Manchester Project is now complete and there is available funding of \$10,882 left in this project. The Kittrell Volunteer Fire Department Training Facility is now complete; however, expenses were \$551 over the monies provided. This amendment provides the additional funding from the Ambulance Project to the Kittrell Volunteer Fire Department project, and the remaining funds left in the Ambulance Project will be transferred back to the General Fund:

From:	Project Manager Project -	\$75,000
	County Clerk Smyrna Building -	4,005
	Ambulance – Manchester Project -	10,882
To:	Jail Remediation Project -	\$25,000
	Law Enforcement Addition Project -	54,005
	Kittrell VFD Project -	551
	Transfer to General Fund -	\$10,331

Comm. Sandlin moved, seconded by Comm. Shafer to approve the General Capital Projects Fund budget amendments transferring \$75,000 from the Project Manager Project; \$4,005 from the County Clerk Smyrna Building Project and \$10,882 from the Ambulance Manchester Road Project; with \$25,000 to the Jail Remediation Project, \$54,005 to the Law Enforcement Addition Project, \$551 to the Kittrell Volunteer Fire Department Project; and \$10,331 being transferred to the General Fund.

The motion passed unanimously by roll call vote.

RECOMMENDATION TO EXECUTE A RELEASE ON THE REMAINING AMOUNT OF A LIEN FOR THE RECIPIENT OF A HOME GRANT:

Mayor Burgess advised that several years ago that several homeowners were allowed to make improvements to their homes through the HOME Grant. He explained that there was no county money involved, but the county served as the conduit for the funds. The individuals promised to remain in the homes for at least five years. Every year 20% of the lien would be released. One recipient of the grant, Jennifer Lovvorn, is in the last year of the process, but is requesting to be

released from the final year of the lien in order to have a short sale of the property. He explained that the THDA did not have any problems with the release.

Comm. Peay moved, seconded by Comm. Jordan to authorize the County Mayor to execute the Release of Deed of Trust for the final year of a lien as executed by Jennifer Lovvorn, as Grantor and the recipient of a HOME Grant. The motion passed unanimously by roll call vote.

RECOMMENDATION TO APPROVE A REVISED EPPS MILL ROAD PLANNING SERVICES PROPOSAL WITH HUDDLESTON-STEELE:

Chairman Ealy reminded the committee that at the Budget Committee last month and at the County Commission meeting on January 13, 2011, a Resolution was adopted authorizing the County Mayor to accept a proposal from Huddleston-Steele Engineering to conduct a feasibility study of the Epps Mill Road from the Tennessee Department of Transportation Right-of-Way at Interstate 24 west to Plainview Road. The cost of the study was proposed at \$4,900.00.

Mayor Burgess advised that the proposal was being revised to include both sections of the Epps Mill Road including the smaller portion that runs east to Manchester Highway. He stated that it was important to include this section, because of some safety issues involved.

The revised proposal will provide Rutherford County with a Feasibility Study Report that examines Epps Mill Road from the Tennessee Department of Transportation rights-of-way at Interstate 24 west through the Buchanan Estates Subdivision and east to Manchester Highway, including the intersection utilizing GIS mapping, aerial photography, and plats and plans to provide preferred conceptual layouts in plan view and recommended cross-sections for Epps Mill Road. Huddleston-Steele will consider any known construction constraints and environmental, ecological, or historical concerns in developing the preferred layouts. They will provide planning-based cost projections for construction of this project and will attend meetings with County, City, and/or state officials as necessary. They will provide the resulting conceptual plans, cross-sections, and a summary report in a hard copy and digital format.

The cost for the revised proposal of the Epps Mill Road study was \$6,500.

Comm. Jernigan moved, seconded by Comm. Peay to authorize the County Mayor to accept the revised proposal from Huddleston-Steele Engineering at a cost of \$6,500 for a feasibility study of the Epps Mill Road from the Tennessee Department of Transportation rights-of-way at Interstate 24 west through the Buchanan Estates Subdivision and east to Manchester Highway. The motion passed unanimously by roll call vote.

RECOMMENDATION TO APPROVE THE ANNUAL INFLATION ADJUSTMENT OF THE FINANCIAL ASSURANCE FOR THE SANITARY LANDFILL WITH THE STATE OF TENNESSEE:

Chairman Ealy advised of the annual inflation adjustment from the State of Tennessee, Department of Environment and Conservation of the financial assurance for the Rutherford County Sanitary Landfill. The present amount of the Financial Assurance is \$3,618,951. The adjusted financial assurance amount was reduced by \$146,567 for a total of \$3,472,384.

Comm. Jernigan moved, seconded by Comm. Sandlin to authorize the County Mayor to execute the Amendment of Contract in Lieu of Performance Bond with the State of Tennessee, Department of Environment and Conservation for the proper operation and closure and/or post-closure of the Rutherford County Sanitary Landfill reducing the amount of financial assurance from \$3,618,951 to \$3,472,384. The motion passed unanimously by roll call vote.

DISCUSSION REGARDING ESTABLISHING AN AUDIT COMMITTEE:

Finance Director Lisa Nolen presented information for the use and information of the committee regarding establishing an Audit Committee. She advised that Rutherford County did not have an Audit Committee. She advised that it had been recommended by the Comptroller's Office that the

Board of Commissioners establish an Audit Committee as a best practice. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, compliance with laws and regulations, ethics, and would be responsible for monitoring management's plan to address various risks.

According to TCA 9-3-405, there are instances where the Comptroller may require that an Audit Committee be established. Mrs. Nolen advised that Rutherford County was not being forced to establish an Audit Committee.

Mrs. Nolen provided copies of County Audit's recommendation along with their guidelines for establishing an Audit Committee, a draft resolution to establish the Audit Committee, and the duties and responsibilities of the committee.

Mrs. Nolen advised that before the Resolution could be approved it would have to be reviewed by the Comptroller's Office to make sure it met all of the guidelines.

She advised that the guidelines provided for meetings that were both public and private. She advised that the Resolution listed five reasons why the committee could have nonpublic meetings such as items deemed not subject to public inspection; current or pending litigation and pending legal controversies; pending or ongoing audits or audit related investigations; information protected by federal law; and matters involving the reporting of illegal, improper, wasteful, or fraudulent activity.

The Finance Director advised that the guidelines provided for two meetings – one after the field audit work was complete; and one meeting after the audit had been released.

The Comptroller's Office requires that the committee be made up of at least three members. Mrs. Nolen advised that she would recommend five members. She suggested that two members be commissioners, one from the Road Board, one from the Board of Education, and one citizen. She stated that she thought one of the five members should be a CPA.

She stated that because the committee needed to be totally independent and without conflict, there was a requirement that members could not be employees of the county, nor their spouse or anyone with which they co-mingled their personal funds. Mrs. Nolen stated that she had a question as to whether a retired employee could be a member of the committee. She stated that the other issue to be determined would be the length of the term of the members of the committee. She stated that she would recommend that the members be paid.

Mrs. Nolen advised that the information had also been presented to the Steering Committee, and they had asked when the committee needed to be in place. Mrs. Nolen stated that the first meeting would need to be after the audit field work, which was generally in September.

OTHER BUSINESS

AMENDMENT ONE INCREASING THE AWARD OF THE 2008 HOMELAND SECURITY GRANT:

Mr. Roger Allen, Emergency Management Director, advised that one of the counties within the UASI had to forfeit their 2008 Homeland Security Grant, because they could not meet the requirements and spend the money. Fortunately, Rutherford County was awarded \$253,420 of that money. He requested that the County Mayor be authorized to execute Amendment One of the 2008 Homeland Security Grant Contract with the State of Tennessee, Department of the Military, Emergency Management Agency awarding an additional \$253,420. Additionally, Mr. Allen requested approval of the following budget amendment to recognize the additional revenue to be received and the related expenditures as a result of the amendment to the 2008 Homeland Security Grant:

Increase Revenue:	101-47235 – Homeland Security Grant -	\$253,420
Increase Expend.:	101-54430-790 – Other Equipment -	\$253,420

Comm. Peay moved, seconded by Comm. Sandlin to authorize the County Mayor to execute Amendment One to the 2008 Homeland Security Grant with the State of Tennessee, Department of Military, Emergency Management Agency in the amount of \$253,420 and to approve the budget amendment increasing Revenue Account 101-47235, Homeland Security Grant, by \$253,420 and increasing Expenditure Account 101-54430-790, Other Equipment, by \$253,420. The motion passed unanimously by roll call vote.

Mr. Allen advised that it might be another three months before he received the signed contract back from the State. Because of the short timeframe to spend the money, he requested permission to begin spending the money once the County Commission approved the contract and the budget amendment.

Mayor Burgess advised that he and the Finance Director would work with Mr. Allen's time constraint.

ADJOURNMENT:

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 8:07 P.M.

Elaine Short, Secretary